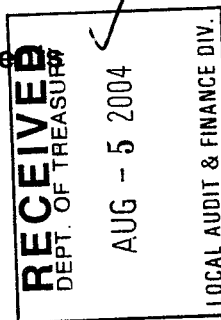


75-8-010

ATHENS COMMUNITY LIBRARY
Athens, Michigan

**Annual Financial Statement
And
Auditors' Report**

March 31, 2004



AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name Athens Community Library	County St. Joseph
Audit Date 03/31/04	Opinion Date 07/14/04	Date Accountant Report Submitted to State: 08/06/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

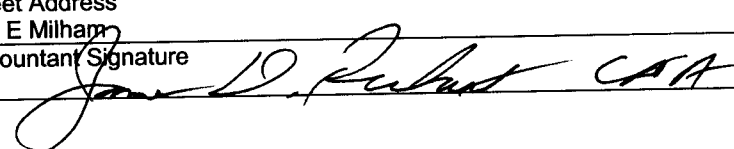
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable boxes for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL: 129/91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Reports on individual federal financial assistance programs (program audits).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Single Audit Reports (ASLGU).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Certified Public Accountant (Firm Name) Yeo & Yeo, P.C.			
Street Address 710 E Milham	City Kalamazoo	State Michigan	ZIP 49002
Accountant Signature 			

ATHENS COMMUNITY LIBRARY
Year Ended March 31, 2004

President	Clela Bauer
Vice President	Virginia Doubleday
Treasurer	Elsie Simmons
Secretary	Margaret Smith
Trustee	Linda Minear
Trustee	Judy Henckel
Librarian	Rosemary Oberlin

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Independent Auditors' Report

Members of the Board
Athens Community Library
Athens, Michigan

We have audited the financial statements of Athens Community Library as of March 31, 2004, as listed in the table of contents. These financial statements are the responsibility of Athens Community Library. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2, Athens Community Library prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The Athens Community Library does not maintain a record of general fixed assets and, accordingly, a statement of general fixed assets, required by the cash basis of accounting, is not included in this report.

In our opinion, except as noted in the preceding paragraphs, the financial statements referred to above present fairly, in all material respects, the cash balances of Athens Community Library at March 31, 2004 and the revenues it received and expenditures it paid for the year then ended on the basis of accounting described in Note 2.

Yeo & Yeo, P.C.

Kalamazoo, Michigan
July 14, 2004

Athens Community Library
Statement of Assets, Liabilities and Fund Equity
Cash Basis
March 31, 2004

Assets

Current assets	
Cash	\$ 2,515
Investments	<u>54,980</u>
Total assets	<u>\$ 57,495</u>

Liabilities and Fund Equity

Current liabilities	
State withholding	\$ 82
Fund equity	
Unreserved	<u>57,413</u>
Total liabilities and fund equity	<u>\$ 57,495</u>

See Accompanying Notes To The Financial Statements

Athens Community Library
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Cash Basis
March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues			
Penal fines	\$ 15,135	\$ 15,135	\$ -
Interest	865	960	95
Miscellaneous	<u>-</u>	<u>323</u>	<u>323</u>
Total revenues	<u>16,000</u>	<u>16,418</u>	<u>418</u>
Expenditures			
Salaries	9,661	10,344	683
Payroll taxes	739	791	52
Subscriptions	510	544	34
Books	2,965	2,940	(25)
Accounting	1,400	1,400	-
Supplies	604	603	(1)
Promotional material	71	71	-
Capital outlay	<u>50</u>	<u>41</u>	<u>(9)</u>
Total expenditures	<u>16,000</u>	<u>16,734</u>	<u>734</u>
Excess of expenditures over revenues	-	(316)	(316)
Fund balance - April 1, 2003	<u>57,729</u>	<u>57,729</u>	<u>-</u>
Fund balance - March 31, 2004	<u>\$ 57,729</u>	<u>\$ 57,413</u>	<u>\$ (316)</u>

See Accompanying Notes To The Financial Statements

Athens Community Library
Notes to Financial Statements
March 31, 2004

NOTE 1 - REPORTING ENTITY

The library operates as a governmental unit, under an appointed board of six (6) members. The library provides services to the residents of the Township of Athens and East Leroy. The costs are reflected in these financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Athens Community Library conform to accounting principles under the cash basis of accounting as applicable to governmental units, except those relating to fixed assets. The following is a summary of the more significant policies:

- A. The Athens Community Library's operations are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures.
- B. The cash basis of accounting is utilized in accounting for its funds. Under this method, revenues are recorded when they are received. Expenditures are generally recognized under the cash basis of accounting when they are paid.
- C. Investments consist of certificate of deposits and are stated at cost.
- D. The Athens Community Library has not established or maintained a General Fixed Assets Group, which is in variance with the cash basis of accounting used in accounting and reporting for these assets. Capital assets acquired by the library are recorded as expenditures at the time of purchase.

NOTE 3 - BUDGET

The Athens Community Library adopted a formal operating budget for the year ended March 31, 2004.

Athens Community Library
Notes to Financial Statements
March 31, 2004

NOTE 4 - CASH AND INVESTMENTS

DEPOSITS - The Athens Community Library is authorized by the State of Michigan Public Act 132 of 1986 to deposit its funds in banks, savings and loan associations, or credit unions having their principle offices in the State of Michigan.

The carrying amount at year-end of the Library's deposits with financial institutions was \$57,495. Of this amount \$2,515 is classified as cash and \$54,980 as certificates of deposit, which are classified as investments.

The entire amount of, \$57,495, is insured by the FDIC.

INVESTMENTS - The Library is authorized by State of Michigan Public Act 132 of 1986 to invest in the following:

- a. Bonds, bills or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the state.
- b. Certificates of deposit issued by a state or national bank, savings accounts of a state or federal savings and loan association, or certificates of deposit or share certificates of a state or federal credit union organized and authorized to operate in this state.
- c. Commercial paper rated prime at the time of purchase and maturing not more than 270 days after the date of purchase.
- d. Securities issued or guaranteed by agencies or instrumentalities of the United States government.
- e. United States government or federal agency obligation repurchase agreements.
- f. Bankers' acceptances issued by a bank that is a member of the federal deposit insurance corporation.
- g. Mutual funds composed entirely of investment vehicles that are legal for direct investment by a city.
- h. Investment pools, as authorized by the surplus funds investment pool act, Act No. 367 of the Public Acts of 1982, being sections 129.111 to 129.118 of the Michigan Compiled Laws, composed entirely of instruments that are legal for direct investment by a library.